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GOVERNMENT EXHIBIT 10

Bureau of Alcohol, Tobacco,
Firearms and Explosives
7799 Leesburg Pike, Suite 1050, North Tower
Falls Church, Virginia 22043

JUL 11 2012

www.atf.gov

768075: MAM
5300

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. David Milton Frazier, II
D/B/A Frazier's Pawn Shop
922 North Queen Street
Martinsburg, West Virginia 25404

FFL No.: 4-55-003-02-2H-01768

Dear Mr. David Milton Frazier, II:

This letter is a follow-up to the warning conference held with you on July 10, 2012 at 40 Compass Point, Martinsburg, West Virginia 25404. During this conference, the violations cited during the inspection covering the period December 13, 2010 to December 12, 2011 and the necessary corrective action to prevent the violation(s) from reoccurring were discussed.

You were given the opportunity to comment on the violation(s) and what specific action you have taken to ensure that the violation(s) will not reoccur. Regarding the following violations: 27 CFR 478.21(a), 27 CFR 478.124(c)(1), and 27 CFR 478.124(c)(5) – you stated that you agreed with the disclosed violations and mainly attribute the occurrence of such violations to failing to identify and correct the incorrect, incomplete or inaccurate information prior to concluding the firearms transaction.

During our meeting you describe the necessary corrective actions that your corporation will institute in your daily operations to ensure that future errors, omissions or discrepancies will be avoided or corrected upon discovery. The compliance plan that you present for the above referenced violations, can be summarized as follows: a) Verify prior to completing the transfer of firearms to non-licensees that all the information called for or requested on the headers and instructions on the forms are recorded correctly and accurately.

The next violation: 27 CFR 478.125(e) is associated to your failure to properly record the acquisition and/ or disposition of 13 firearms in your Acquisition and Disposition Bound Book (A & D Bound Book) in a timely and correctly manner. You provided the following explanation for the violation: a) You indicated that the timely annotation of entries into the Acquisition and Disposition Bound Book were neglected. As a corrective action, you have vested the responsibilities to maintain the Acquisition and Disposition Bound Book to one of your employees, whom is the sole responsible for recording the acquisition and disposition of firearms.

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Mr. David Milton Frazier, II
D/B/A Frazier's Pawn Shop

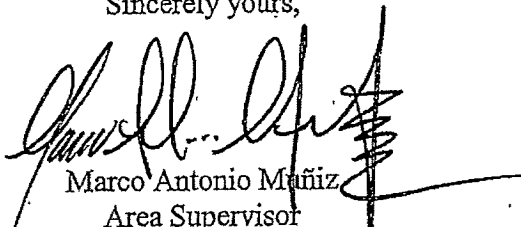
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We then proceeded to review the necessary corrective actions, the implementation of the necessary internal control measures to ensure that the violations are not repeated. Furthermore, I advised you that one of the Bureau's priorities is to obtain voluntary compliance from our industry member by working in partnership and thru education. Finally, I made myself available to you, to assist and answer any questions or concerns that you may have regarding Federal Firearms laws and regulations promulgated thereunder.

The violation(s) for which you were cited could adversely impact law enforcement's ability to reduce violent crime and protect the public. You are reminded that future violations, repeat or otherwise, could be viewed as willful and may result in the revocation of your license. You may anticipate further inspections to ensure your compliance.

Please contact us if you have any questions concerning your responsibilities as a licensee or if you require further clarification about particular requirements of Federal firearms laws.

Sincerely yours,



Marco Antonio Muriiz
Area Supervisor

Falls Church III (Industry Operations) Area Office

c: Federal Firearms Licensing Center
Washington Field Division
Falls Church III (IO) Area Office



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FFL No.: 4-55-003-02-2H-01768

Dear Mr. David Milton Frazier, II:

During a recent compliance inspection at your firearms business covering the period of December 13, 2010 to December 12, 2011, you were cited for violations of 27 Code of Federal Regulations, Part 478. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection is enclosed.

All violations were fully explained to you by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigators Eileen Valls and Beth Given. You indicated that you understood the requirements of the firearms laws and regulations. You further indicated that corrective actions would be taken to eliminate future violations.

The records you are required to maintain and the business operations you conduct are important to law enforcement in our continuing effort to reduce violent crime and protect the public. It is essential that you comply with all Federal laws and regulations that govern your firearms business. This is critical to carrying out our mission to protect the public and ensure that criminals do not gain access to firearms. ATF appreciates the efforts you and other industry members make in this area, and we look forward to continuing to work with you in that regard.

You are reminded that retention of your Federal firearms license is conditioned upon your compliance with Federal laws and regulations. Any future violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license. Please ensure that future compliance is achieved.

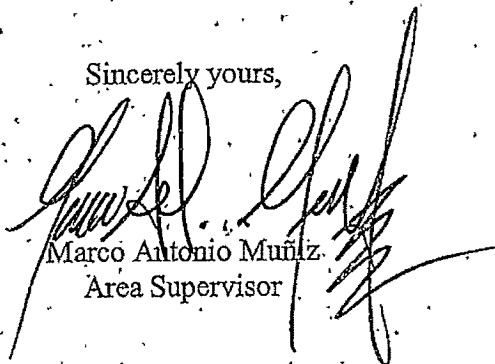
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D/B/A Frazier's Pawn Shop

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Should you have any questions regarding this matter, please contact Marco A. Muñoz at 703-287-1130.

Sincerely yours,



Marco Antonio Muñoz
Area Supervisor

Enclosure

c: Federal Firearms Licensing Center
Falls Church Area Office



7-10-12



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
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Dear Mr. David Milton Frazier, II:

During a recent compliance inspection at your firearms business covering the period of December 13, 2010 through December 12, 2011, you were cited for violations of 27 Code of Federal Regulations, Part 478. The violations were discussed with you during the inspection. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection is enclosed.

You should be aware that any willful violations of the Gun Control Act may result in revocation of your Federal firearms license. As a result of the recently cited violations, it is important that we have a meeting with you to discuss the violations found. The conference will be held on July 10, 2012 at 10:00AM at 40 Compass Point, Martinsburg, West Virginia 25404. The agenda for the meeting will include a discussion of the reasons for the violations, a review of the legal requirements, and a discussion of steps to be taken by you to ensure future compliance. Although we do not believe it necessary, legal counsel may assist you at your own expense if you so choose. Please bring a compliance plan with your documentation verifying the corrective actions you have taken or will implement to ensure future compliance.

The records you are required to maintain and the business operations you conduct are important to law enforcement in our continuing efforts to reduce violent crime and protect the public. It is essential that you comply with all Federal laws and regulations that govern your firearms business to aid in this effort to combat violent crime.

We will conduct a follow-up inspection in the future. Any violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license.

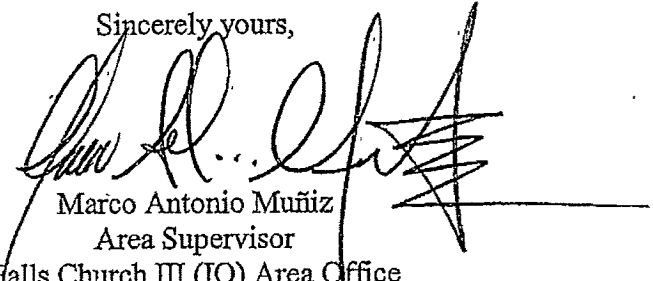
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Please contact Industry Operations Investigator Eileen Valls at (304) 616-4140 to confirm this appointment, and to ask any questions you may have regarding this conference. I look forward to meeting with you to resolve these issues.

Sincerely yours,



Marco Antonio Muñiz
Area Supervisor
Falls Church III (IO) Area Office

Enclosure

c: Federal Firearms Licensing Center
Washington Field Division
Falls Church III (IO) Area Office

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